THE UNIVERSITY OF MICHIGAN
JUL 17 1963
PERIODICAL READING ROOM

JUNE 24, 1963

JAPAN'S LIBERALIZED AGRICULTURAL MARKET

GATT MEETINGS UNDERWAY

RECORD DEMAND FOR SOYBEAN PRODUCTS

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

A WEEKLY MAGAZINE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

JUNE 24, 1963

VOLUME 1 • NUMBER 25

This farmer and his son, working their rice field, are typical of Japan's farmers, whose agriculture is productive but high cost.

Contents

3 Japan's Liberalized Farm Market

5 GATT Trade and Tariff Meetings Underway

6 ICAC Reports Big Rise in World Cotton Stocks But Foresees Better Year Ahead

7 Record Demand for Soybean Oils Fails To Keep Pace with Booming Meal Sales

8-9 Market Development

"Quality and Value in Volume" Is Theme of U.S. Leather's 1st Big London Show
Bulgur Promotion Set
Boy Scouts Will Drink U.S. Milk at Jamboree
Japan To Mill Western White Wheat for Feed
Wheat Associates, FAS Back Grain Team Visits
Japan's First Continuous Process Bakery

11 World Crops and Markets

Cotton

12 U.S. Cotton Exports Lower in 1963
12 India Permits Additional Cotton Imports

Dairy and Poultry Products

10 United Kingdom's Trade in Dry Milk

Fats, Oilseeds, and Oils

15 Upper Volta's Fats and Oils Situation
15 Canadian Soybean Support Price
16 U.S. Exports of Soybeans, Edible Oils, Meals

Fruits, Vegetables, and Nuts

14 Record South African Canned Fruit Pack
15 South African Canning Fruit Prices

Grains, Feeds, Pulses, and Seeds

10 Northern Hemisphere Wheat Crop May be Smaller

Livestock and Meat Products

13 U.S. Meat Imports Small in April
13 Canadian Pork Imports Large in 1963
14 Australian Meat Moves to the U.S.
14 U.S. Exports of Livestock Products
14 New Zealand Meat Shipments to the U.S.

Sugar, Fibers, and Tropical Products

12 Higher Prices for India's Sugar Growers
12 Brazil Considers Protection of its Sisal
12 Belgian Flax Trade Variable in 1962

Tobacco

10 U.S. Tobacco Exports Larger in April
11 South Africa's Tobacco Manufactures Down
11 Ontario's 1963 Flue-cured Acreage Announced
11 French Cigarette Sales Continue Upward

Orville L. Freeman, Secretary of Agriculture

Roland R. Renne, Assistant Secretary for International Affairs

Raymond A. Ioanes, Administrator, Foreign Agricultural Service

Editor: Alice Fray Nelson **Associate Editor:** Ruth A. Oviatt

Advisory Board:

W. A. Minor, Chairman; Wilhelm Anderson, Burton A. Baker, Douglas M. Crawford, John H. Dean, F. Leslie Erhardt, David L. Hume, Robert O. Link, Kenneth W. Olson, Donald M. Rubel.

All articles in this magazine may be reproduced freely; none of the material is copyrighted. Mention of **Foreign Agriculture** will be appreciated but is not required.

Foreign Agriculture is published weekly by the Foreign Agricultural Service, United States Department of Agriculture, Washington 25, D. C. Use of funds for printing this publication has been approved by the Director of the Bureau of the Budget (December 22, 1962). Yearly subscription rate is $5.50, domestic, $8.00, foreign; single copies are 15 cents. Orders should be sent to the Superintendent of Documents, Government Printing Office, Washington 25, D. C.

U.S. Wheat, Tokyo harbor

DEPOSITED BY THE
UNITED STATES OF AMERICA

Japan's Liberalized FARM MARKET

Restrictions on many agricultural products have already been lifted and an increasingly liberal trade policy has been promised.

By JOSEPH C. DODSON
U.S. Agricultural Attaché, Tokyo

Japan in recent years has been the largest foreign buyer of U.S. agricultural products. In fiscal 1961 and 1962, the value of U.S. shipments to Japan was $533 million and $486 million, respectively. Total agricultural imports into Japan, from all sources, are on the order of $2 billion annually.

Clearly, foreign suppliers of agricultural products have access to the Japanese market. How restricted or unrestricted is this access? What are the policies of the Japanese Government with regard to imports? What is the current status of import restrictions and what is the outlook for the future?

The answers to these questions are highly important to U.S. farmers and traders in agricultural commodities. They concern chiefly quantitative, or non-tariff, restrictions on imports. The tariff structure is, of course, important. As a member of GATT, Japan is subject to the policies involved in that membership. The tariff rates on some agricultural products are moderate—ranging down to zero on feed corn and on cotton. On others there is room for reduction.

Why restrictions exist

Quantitative import restrictions (quotas, licensing, and similar devices) are usually justified—or based—on foreign exchange problems, or on the need to protect domestic industry. For a number of years following World War II, Japan's foreign trade was in substantial imbalance, and import restrictions were necessary to conserve foreign exchange. Beginning about 1955, however, the foreign trade situation began to take a more favorable turn. Through modernization of industry and aggressive export promotion the country sharply increased its export shipments. As a result, the level of foreign exchange holdings has reached a satisfactory level.

At the end of 1962, the total of Japan's foreign exchange holdings amounted to $1.8 billion. Although the level is always subject to fluctuation, there is optimism that Japan will maintain or expand its exports, and that foreign exchange will not be a serious problem in the near future. As of February 21, 1963, Japan disinvoked Article XII of GATT, thereby renouncing balance of payments reasons for the maintenance of import restrictions.

With elimination of foreign exchange as a basis for curbing imports, the element of protectionism remains. In Japan, as in many other countries, the agricultural industry insists on some protection against imports. Japan's small-scale farms, averaging about 2½ acres in size, are highly productive, but on a high-cost basis. Domestic prices of most agricultural products are well above world prices. For example, domestic wheat is supported by the government at the equivalent of $3.03 per bushel, compared with an average import price of around $1.98 (for U.S. soft wheat). The domestic price of nonfat dry milk is about 33 cents per pound, which is considerably above the world price. From this situation springs the strong sentiment for protection for the vulnerable commodities.

At the same time, Japan is a deficit producer of virtually all the major agricultural products. A large volume of imports is necessary. The interests of consumers—the cost of living—are involved. This factor is of great importance in a country as dependent as Japan on keeping its cost of producing export goods down to a level at which it can compete in the world market. Still it is questionable whether restrictive import policies designed to maintain high domestic prices would be in the national interest. There is now underway a program intended to modernize Japan's agriculture so that costs of production can be lowered and farmers enabled to compete with foreign suppliers. Basic structural changes are achieved slowly, however, and it will take years to accomplish any really significant results.

Liberalization begins

As Japan's trade situation improved and the remarkable expansion in the national economy began, the Japanese Government started to liberalize its import policies, with the result that a gradual lifting of quantitative restrictions has been taking place. The Japanese Government calculates its progress in the lifting of import restrictions as a percentage that the liberalized commodities represent against total commercial imports, based on 1959 import statistics.

On this basis, in April 1959, 34 percent of Japan's total import trade was liberalized, or not subject to any quantitative restriction; in April 1960 the rate was 41 percent; in April 1961, 62 percent; in April 1962, 73 percent; and in April 1963, 89 percent.

While having some value as a general measure of the liberalization rate, the percentage is based on imports in one year—1959—and does not take into account changes in the import structure since that time. For example, feed grains represent a much larger proportion of total imports now than they did in 1959.

More importantly, this measure does not take into account the potential imports that might have taken place in 1959 had the market been open to the particular products. Furthermore, the lifting of restrictions on agricultural commodities has lagged well behind that of other products. As of April 1963, the liberalization rate on agricultural products was only 62 percent.

Three import categories

The Japanese Government classifies commodities into three categories with respect to import procedures. These are automatic approval (AA), automatic fund allocation (AFA), and fund allocation (FA). Commodities in the AA group are imported freely; import applications to authorized foreign exchange banks for the required foreign exchange are automatically approved.

Commodities in the FA category are subject to foreign exchange restrictions established for each commodity. This is the rigidly controlled category. Import applications are screened in the Ministry of International Trade and Industry, which either grants an exchange allocation certificate or disapproves the application. For some commodities, no foreign exchange is allocated, and hence no imports are possible. For others, the allocations are very limited, and imports are at a minimum. Recipients of the exchange allocation certificates receive foreign exchange automatically from the authorized banks.

The AFA system represents an intermediate stage between the AA and FA systems. AFA items are automatically eligible for exchange allocation certificates without limitation as to amount. Recipients of these certificates are then automatically granted import licenses for foreign exchange by the authorized banks.

Substantial progress has been made with liberalizing the major agricultural imports. The 10 top-ranking items in 1962 were cotton, wool, wheat, corn, soybeans, sugar, hides and skins, tobacco, tallow, and sorghums. Of these, 6 were AA, or completely liberalized, and the other 4 were FA. Of the restricted items, 2—tobacco and wheat—represent government monopoly imports.

Of these 10 commodities the United States is a major supplier of all but wool and sugar. Five of the 8 items of export interest to the United States are liberalized. Of the other 3 items, all wheat is imported by the government, and there has been no indication of an early change in this system. Tobacco is a government monopoly, and imports will continue under strict control. Grain sorghums are expected to be liberalized, although the date is uncertain. (There is little if any reason to continue controls on this item especially with corn on the free list.)

U.S. statistics for fiscal year 1961 show that about 82 percent of the total value of U.S. agricultural exports to Japan represented commodities which are now liberalized, or not subject to any quantitative restrictions.

Effects of freer trade

What were the immediate results on volume of trade as individual commodities were liberalized?

The results varied. Raw cotton was liberalized in 1961, and there was a surge of buying, making that a record year for cotton imports. As a result, stocks became excessive, and there was a sharp drop in imports in 1962.

In the case of soybeans, which were also liberalized in 1961, there was no immediate impact. Imports in 1961 gained less than in 1960, when controls were in effect (indicating that the government had been fairly generous in its foreign exchange allocations for soybeans, even under the FA restriction).

A product which benefited most drastically was raisins, liberalized in 1961. Imports went up to 11,705 metric tons from 6,316 tons the previous year. The freeing of raisins opened the door to satisfying a very strong market demand.

In general, the immediate effects of liberalization have varied with the degree of restriction previously imposed by the government on the individual commodities. Where foreign exchange allocations had been liberal, even under the quantitative restrictions, as they were for soybeans, liberalization did not bring immediate increases. Where the restrictions had been severe, as they were for raisins, liberalization brought an immediate rise in imports.

With most of the larger volume items exported by the United States to Japan now in the liberalized category (exceptions are wheat, tobacco, and grain sorghums), there remains a sizable number of other products under quantitative restrictions, the removal of which would offer increased export possibilities. These include dairy products, soybean and some other edible oils, soybean meal, citrus fruits, and a wide variety of processed food products, such as canned fruits and vegetables.

A hard core remains

The present Japanese Government has firmly committed itself to an increasingly liberal trade policy. It intends to continue the liberalization of imported products, although the items remaining under quantitative control represent a hard core that are particularly sensitive and the

liberalization of which must overcome very strong domestic opposition. Agricultural interests are fighting a battle against the foreign competition which will result from further liberalization. Perhaps the strongest opposition arises with regard to dairy products. Domestic dairy production is expanding rapidly but at high cost; so liberalization of most dairy products is likely to be indefinitely delayed.

As commodities are liberalized, there is a tendency to look to tariff increases as a means of better protecting domestic producers against the inflow of the foreign products. For example, when soybeans were liberalized the duty rate was lifted from 10 percent to 13 percent ad valorem. Thus, the liberalization process is tied in to some extent with increased tariff restrictions.

Nevertheless, U.S. agriculture has reason to be gratified with the progress so far achieved by an economically strong Japan in lifting the restrictions on its imports of farm products. There should and will be further progress, but at a slower rate—given the sensitive nature of the remaining restricted commodities—than in recent years.

VALUE AND IMPORT STATUS OF PRINCIPAL AGRICULTURAL COMMODITIES IMPORTED BY JAPAN IN 1962

Commodity	Import value From U.S.	Total	Import Status [1]
	1,000 dol.	*1,000 dol.*	
Cotton	121,636.1	376,664.3	AA
Wool	50.1	290,843.5	AA
Wheat	63,988.1	180,930.1	FA
Corn	59,584.0	133,757.1	AA
Soybeans	115,990.1	132,698.1	AA
Sugar	0	95,069.1	FA
Hides and skins	39,709.0	53,577.0	AA
Tobacco	24,116.0	31,240.0	FA
Inedible tallow	16,648.1	20,592.0	AA
Grain sorghums	20,084.0	20,337.0	FA

[1] AA = Automatic Approval (unrestricted imports); FA = Fund Allocation (restricted imports).

Source: Customs Bureau, Ministry of Finance.

GATT Trade and Tariff Meetings Underway

Starting this week, various groups representing the contracting parties to the General Agreement on Tariffs and Trade (GATT) are convening in Geneva to implement the decisions recorded in the resolution adopted by the GATT Ministerial Conference on May 21.

Two of these meetings concern agricultural commodities —cereals and meats. The meeting on cereals starts June 24, the one on meats, later in June or early in July. Although it was also agreed that a dairy products group should be established, no meetings have been scheduled.

The purpose of these meetings, as spelled out in the resolution is "the creation of acceptable conditions of access to world markets for agricultural products in furtherance of a significant development and expansion of world trade in such products."

In the process of being established, to begin work at an early date, is still another meeting—that of the Trade Negotiations Committee. The mission of this committee is to elaborate a trade negotiating plan, in the light of the principles established by the May Ministerial meeting.

This plan, according to the resolution, is to cover all classes of products, industrial and nonindustrial, including agricultural and primary products. It shall deal not only with tariffs but also with nontariff barriers.

The resolution also states that, in view of the limited results obtained in recent years from item-by-item negotiations, the tariff negotiations shall be based upon a plan of substantial linear tariff reductions, with a bare minimum of exceptions which shall be subject to confrontation and justification. These linear reductions are required to be equal; and in those cases where there are significant disparities in tariff levels, the tariff reductions will be based upon special rules of general and automatic application.

Thus, the Trade Negotiations Committee is obliged to deal with the following issues:

- The depth of tariff reductions, and the rules for exceptions.
- The criteria for determining significant disparities in tariff levels and special rules applicable for tariff reductions in these cases.
- The problem of certain countries with a very low average level of tariffs or with a special economic or trade structure such that equal linear tariff reductions may not provide an adequate balance of advantages.

The views of the United States regarding the negotiating plan were expressed by Christian A. Herter, Special U.S. Representative for Trade Negotiations, at the Meeting of Ministers. These, he said, are guided by the philosophy embodied in the Trade Expansion Act that lower trade barriers are a key to a prosperous free world community.

"It is for this reason," he continued, "that we are convinced that the fundamental objective of the conference must be to bring about the greatest possible reduction in tariffs and other barriers to trade. Any plan that does not achieve such an objective is less than adequate in our view. By the same token, any plan that does not permit us to use the powers of the Trade Expansion Act as fully as possible constitutes a loss of opportunity for achieving maximum trade liberalization.

"It is, of course, the firm position of my government that negotiations must include agricultural products. This means that my government will not be prepared to conclude negotiations until equitable tariff and trade arrangements have been developed for agricultural products. This is necessary for the United States as a major agricultural exporting and importing nation."

ICAC Reports Big Rise in World Cotton Stocks But Foresees Better Year Ahead

The International Cotton Advisory Committee, at its recent meeting in Bangalore, India, recognized the difficult situation faced by the United States with its accumulating cotton stocks and commended it for the measures taken to reduce acreage.

This, and other important aspects of the world cotton situation, were pointed out in the Committee's policy statement, excerpts of which follow:

During the 1962-63 season, cotton production has risen to a new high level, and there has been a further increase in cotton exports from many countries outside the United States. These developments have benefitted the national income and foreign exchange earnings of these countries. Prices in general have continued to show so far a reasonable degree of stability, although at a slightly lower level than that of a year ago.

With a record world crop and some anticipated reduction in aggregate consumption, for the first time since 1956, a sizable increase in the world carryover at the end of this season seems unavoidable. World stocks on August 1, 1963, are likely to increase by well over 2 million bales, to reach the highest level since 1959. Nevertheless, this analysis in itself does not fully reflect the true stock situation. Stocks in most producing countries will be at or near the minimum. This is also the case in importing countries, where buying has continued on a hand-to-mouth basis.

A basic fact, therefore, is that the world surplus will be concentrated almost entirely in the United States, where stocks are expected to increase to around 11 million bales compared with 7.8 million a year earlier. This is a matter of concern not only to this country, but to the world at large. The Committee, however, welcomes the reassurance of the U.S. Delegation that, in operating its cotton programs, the United States will always bear in mind the interests of other countries and seek to avoid disruption of the cotton market.

The Committee is aware of the difficult situation faced by the United States. Delegates recognize that, while acreage and production have continued to expand in many countries, the United States has continued its drastic acreage restrictions, and the expansion in exports from other producing countries contrasts with a further sharp decline in U.S. exports during the present season. This represents a valuable contribution to the welfare of the world cotton economy.

At the same time, it is pointed out that these acreage restrictions have been offset in part by the long-term trend to higher yields; and the failure of domestic consumption to increase in recent years in the United States has to some extent been due to the disparity between export and domestic prices of U.S. cotton. This has impaired the position of cotton vis-à-vis other fibres in this market.

Although the decline in consumption of cotton this season may to some extent by cyclical, the fact remains that consumption of man-made fibers has risen to new records. Prices seem to be a more significant factor as regards competition with the cellulosic fibres, whereas in the synthetic fibers, quality, performance, and consumer preferences appear more decisive.

The outlook for 1963-64 may be more reassuring than during the present season. In the United States the acreage allotment for 1963-64 has been established at a level almost 2 million acres below that of the present season. This should help to hold down the volume of total output.

Reference has been made to possible measures to strengthen the competitive position of cotton vis-à-vis man-made fibres in the U.S. market. Elsewhere, a resumption in the upward trend of cotton consumption may be expected in certain consuming countries. These indications point to a better balance between production and disappearance next season.

India's Need for Food Aid Seen Tapering Off

During his visit to Washington as head of the Indian delegation of the World Food Congress, Minister of Food and Agriculture S. K. Patil presented to President Kennedy, to Secretary of Agriculture Orville L. Freeman, to Secretary of State Dean Rusk, and other top officials, the views of the Indian Government on India's food and agriculture situation in relation to the U.S. aid program.

Minister Patil pointed out that this aid, including the technical assistance, and particularly the 4-year Indo-U.S. Public Law 480 program which he had signed in Washington on May 4, 1960, had been of inestimable value.

He said that it had been of great benefit in helping India's own agricultural production move forward, in meeting needs for current consumption, in maintaining stability of prices of farm commodities, and in assisting in the build-up of buffer stocks. With the progress made, assistance can now begin to taper off so that in the next 5 to 10 years India would need no more food aid from the U.S.

Minister Patil said that when the present agreement comes to an end in June 1964, India would require a much smaller P.L. 480 agreement, possibly on the order of 10 million tons in 4 years. Owing to increased production, India has taken less wheat than anticipated and, therefore, it may be possible to extend the period of time for shipments of wheat under the current agreement for another year beyond June 30, 1964. Since rice is the main staple food of India, Minister Patil stated his intention of building a stockpile of rice of nearly 2 million tons during the next 4 years.

It was agreed that detailed discussions of measures which could be taken to meet India's future needs under P.L. 480 would take place later in the year since the current P.L. 480 agreement still has a year to run and may be extended. To meet India's immediate needs for rice, it was agreed that about 150,000 tons under the current agreement would be made available, with shipments to begin soon.

Record Demand for Soybean Oils Fails To Keep Pace with Booming Meal Sales

The expansive worldwide demand for U.S. soybean meal has forced U.S. soybean specialists to tackle what has already proven to be a difficult problem: how to sell a proportionate amount of the soybean oil, formed as a byproduct of the popular meal.

While meal sales have risen so sharply that the United States can barely meet the demand, new markets for soybean oil have not been expanding at the same rate. Paradoxically, and much to the dismay of the processor, the more meal he obtains from the crushed soybeans, the more oil he unavoidably produces.

The inequality in the demand for the two products has caused an unhealthy price imbalance to develop. Soybean meal must be sold at a high price so that the processor can still make a profit on his operations after processing the inexpensive soybean oil. There is a limit to how far meal prices can be raised, however, for as prices rise demand begins to dwindle. Consequently, if the oil cannot bear its share of processing costs, the processor must crush fewer beans.

The U.S. soybean obtained its spiraling popularity during World War II. In response to increasing demands for fats, oils, and oilseed meal, U.S. farmers soon outproduced China, the reigning leader of the world soybean trade. In postwar years, as China's trade dwindled, the United States steadily increased production so that today it supplies over 90 percent of the world's soybeans.

Soybean meal gained much of its popularity in the postwar period when rising incomes enabled populations, particularly in Europe, to better their eating habits. In addition, countries such as Japan, which have always consumed a substantial portion of vegetable protein, are now supplementing their diet with increasing quantities of meat protein from animals whose basic protein feed is soybean meal. With the growth of meat industries, the demand for protein meal continues to expand rapidly.

This year, domestic demand alone will absorb most of the United States' total soybean meal production and only about 10 percent of the meal produced will be exported. In striking contrast, 26 percent of the soybean oil supply will be exported of which about 55 percent will be moved under P.L. 480 programs.

The oil problem has many causes. Although soybean oil is used extensively in margarine and shortening, the demand for the oil is not keeping up with the expanding supplies.

One reason for this is that most dollar countries, particularly the United States and Europe, have already reached a high level of per capita oil consumption, so that they do not need more oil. Another reason lies in the fact that most underdeveloped countries cannot afford to buy the oil.

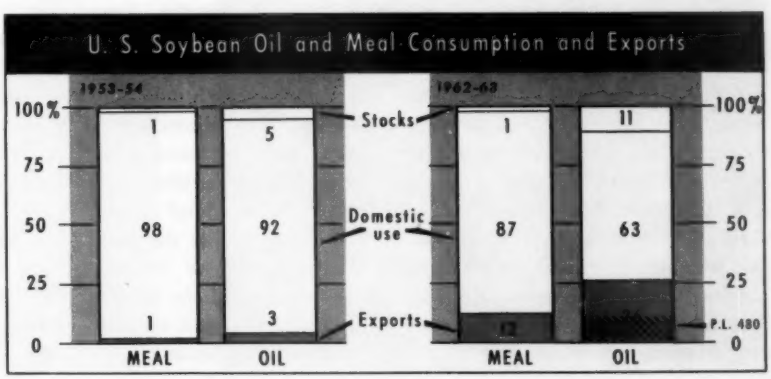
Soybean oil also has many competitors. Europe is producing its own butter and slaughter fats in such quantities that its margarine consumption is declining somewhat. Olive oil, African peanut oil, palm oil, and fish oil also vie with soybean oil and with one another for markets. Soybean meal, by comparison, possesses the immeasurable advantage of having an almost insatiable market. The demand for protein feed has been so large that it has readily absorbed all available supplies of soybean meal and other competitors such as fish meal.

Also most countries prefer to take our soybean oil from us in the form of soybeans. The United States sells many millions of bushels of whole soybeans to countries abroad each year. These countries process the beans and derive their own meal and oil from them, often obtaining a bigger oil supply than they actually need. The United States, as a result, cannot expect them to import additional oil. In 1963, for example, over 175 million bushels of soybeans are expected to be sold abroad. Of this amount, over 1.9 billion pounds of oil will be extracted by the various purchasers.

Although there is no simple solution to the oil problem, much has already been done through various government programs. The U.S. Government's Public Law 480 program already utilized greatly will be relied on even more in the future.

Not only is P.L. 480 furthering soybean oil exports, but it is also maintaining oil prices at higher levels than would otherwise prevail. In addition, it is acquainting countries with soybean oil who cannot afford to purchase it with dollars. The expectation is that as the economies of these countries improve so that there is no more need for P.L. 480 purchases, they will be able to buy soybean oil with their own resources.

One soybean specialist has summed up the situation in the following words: "We have a tough problem ahead of us in the short-run; a relatively optimistic picture when viewed in its long-range perspective. The world needs food and as people improve their ability to purchase needed commodities, we feel they will have to turn to us to supply a large portion of their increasing wants."



"Quality and Value in Volume" Is Theme Of U.S. Leather's 1st Big London Show

Advantages of using American leathers were demonstrated before 10,500 persons by a U.S. exhibit at the International Leather Fair in London, England (May 20 to 25). This was the first time these leathers have been comprehensively displayed in Britain. Presenting the exhibit were the Leather Industries of America and the Tanners' Council of America in cooperation with the Foreign Agricultural Service.

Theme of the U.S. exhibit, "Quality and Value in Volume," stressed the extensive supplies of American raw hide and leather available to European manufacturers at low costs. U.S. leather industry representatives made an estimated 1,000 trade contacts with their European counterparts.

A variety of American leathers was shown, along with 52 new official colors of the U.S. tanning industry for spring and summer of 1964. Merchandising and advertising aids produced by the leather association were made available to foreign buyers of U.S. leathers for consumer promotion in their own markets. The Tanners' Council distributed sample books of individual tanneries.

In recent years the demand for U.S. leather abroad has been hindered by trade restrictions. The U.S. Government and the Tanners' Council are seeking to reduce these barriers to make U.S. leather more available to foreign buyers.

The value of U.S. leather and leather manufactures exports to the United Kingdom was about $1 million last year, and $14 million to the Common Market countries.

Bulgur Promotion Set

Bulgur Associates, Inc., has just been formed to promote the overseas use of bulgur, a parboiled wheat food exported mainly to developing countries. The new group will work in cooperation with Great Plains Wheat, Inc., and Western Wheat Associates.

Bulgur Associates is made up of eight U.S. manufacturers of bulgur. W. W. Graber, administrator of the Kansas Wheat Commission, Hutchinson, Kansas, will be executive secretary, headquarters Washington.

Boy Scouts Will Drink U.S. Milk at Jamboree

Some 20,000 Boy Scouts from all parts of the world will drink U.S. recombined milk—many for the first time—at the 1963 International Boy Scout Jamboree in Athens, Greece, July 29 to August 16.

Secretary of Agriculture Orville L. Freeman, in announcing the plan, said: "This is one of the ways in which the abundance of our farms can be—and is being—used, not only to improve world health and nutrition, but also to achieve meritorious international goals of human betterment."

Cooperating with the USDA in this government-industry project are the U.S. Air Force, Foremost Dairies, Inc. of San Francisco and the Ex-Cell-O Corporation of Detroit.

USDA's Commodity Credit Corporation, supplier of the nonfat dry milk and butterfat from surplus stocks, estimates the Scouts will consume 216,000 quarts of recombined milk, but as much milk as needed will be sent. Ingredients will be shipped to a processing plant in Athens, recombined, and airlifted to the Jamboree site in individual cartons.

Another part of the project will be the production of the official documentary film of the Jamboree, which will feature in part the milk supplied by the United States.

Japan To Mill Western White Wheat for Feed

Japan's recent announcement that it would permit imports of an additional 70,000 to 100,000 metric tons of U.S. Western White wheat for feed bran use climaxes a vigorous market promotion by Wheat Associates, USA. It is the initial shipment of Western White to Japan for feed milling.

Previously, Japan milled all Western White into flour for human consumption. Under the new program, however, 60 percent of the additional wheat allotment will go into feed grain for livestock, and 40 percent will be milled into flour.

The extra tonnage brings total 1963 shipments of U.S. Western White wheat to Japan to 500,000 metric tons. U.S. exporters have already moved 10,000 tons of the new allocation to Japan. The remainder is expected to be sent over a year's time, ending in March 31, 1964.

Wheat Associates, FAS Back Grain Team Visits

Wheat Associates, USA, and the Foreign Agricultural Service are sponsoring June visits of two wheat teams —from India and Taiwan—as part of long-range efforts to increase the market for U.S. wheat overseas.

The 4-man Indian team, led by H. Lal, India's Joint Secretary and Director General of Food, will tour the wheat-growing States of the Great Plains and Pacific Northwest to inspect U.S. grain storage and wheat handling methods. The group will also talk to flour experts about baking qualities of various flours.

Three government and wheat industry officials from Taiwan left for Japan in mid-June to study the market development program used there by Wheat Associates.

Both India and Taiwan secure the bulk of their wheat imports from the United States under P.L. 480.

Japan's First Continuous Process Bakery

In operation less than a year—but already a success—is Japan's first continuous process bakery. Two others are expected to get underway shortly.

Almost all the wheat used by the new bakery is U.S. Hard Red Winter Wheat, the type of wheat best adapted to the new process. Many countries grow some Hard Red Winter, but the United States has the most and the best. (Canada's winters are too cold.)

Continuous process baking first went into commercial production 5 or 6 years ago in the United States. Between 225 to 250 such bakeries are now in operation across the country. Most are in cities large enough to utilize bread output that hits 5,000 to 6,000 pounds an hour.

U.S. manufacturers of continuous process baking equipment estimate that within 10 years this equipment will be used for virtually all U.S. commercially baked bread.

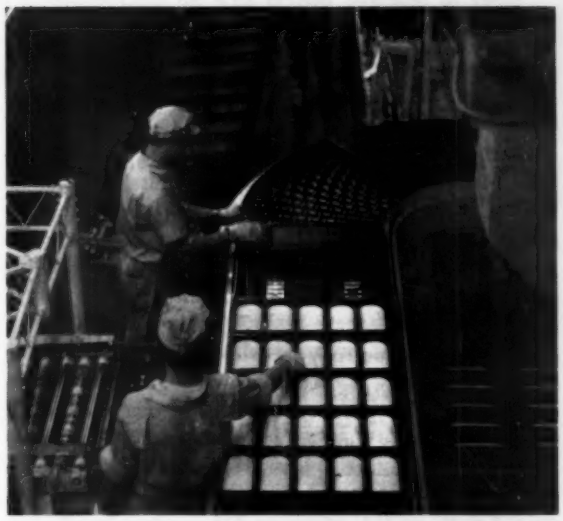
Until recently, the United States was the only country which used the continuous process bakery, or manufactured the special equipment. Now, however, the process has spread to the United Kingdom and Australia.

The value of the process lies principally in increased capacity and efficiency. It cuts down man hours, uses less space, and there is less equipment to replace.

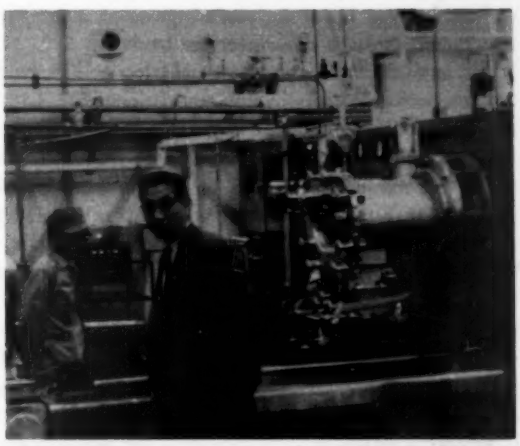
All ingredients, both liquid and dry are metered into the mixer continuously. Dough emerges, is automatically cut to the right size and drops into pans. The loaves move on into a proofing chamber where they are allowed to rise, and are then baked. The process completely eliminates batch handling of dough and bypasses many steps necessary in more conventional baking.

Hard Red Winter Wheat's ability to absorb liquid faster than, for instance, Hard Red Spring, makes this type of wheat best adapted to the new process. Less mixing time is required, output is speeded up.

Because output is so high, use of the continuous method will probably grow as the world becomes increasingly urbanized. The result should be bigger sales of U.S. wheat, both because of its availability and its adaptability.



At Tokyo's Akebono Baking Company, loaves of bread are conveyed into the proofer to rise, above. Ingredients are metered into mixer-extruder, below.



Japanese Baking Institute advisory group with the "do-corder," below, which tests dough for continuous baking. Right, Japan's first bulk delivery of flour.

Northern Hemisphere Wheat Crop May Be Smaller

Total wheat outturn in the Northern Hemisphere during 1963 is likely to be reduced from that of 1962, especially in Europe.

North America's total production may approximate the 1962 harvest. The *U.S.* crop is forecast at 1,084 million bushels, slightly below the crop harvested a year ago. Estimates indicate that winter wheat production, at approximately 855 million bushels, will be larger, and spring wheat, at 230 million, smaller. *Mexico* is harvesting a record wheat crop.

Although it is too early in the season for reliable indications of *Canada's* prospects, the outlook is good. Farmers' intentions to plant showed a 1-percent increase in wheat acreage. By June 5, seeding was virtually completed except in Manitoba, where heavy rains had slowed down seeding and about 25 percent of the acreage remained to be seeded. Crop conditions were described as very promising in most areas, except in southern Alberta, where serious drought is reported.

In *Europe,* growth is generally behind schedule, despite more rapid development in recent weeks. This year's outturn will not be up to last year's high level, although production may still be above average.

An unusually severe winter caused losses in some parts of Europe. In *France,* where the principal damage occurred, a substantial acreage had to be plowed up and reseeded. Only part of that land was seeded to spring wheat. Total wheat acreage on May 1 was 2 million acres less than the 1962 area. Prospects for the crop have improved, however, and an average wheat crop is now expected. (The 1955-59 average production was about 360 million bushels.)

The outlook is good for *West Germany's* harvest, and crop conditions in early April were better than those for a year earlier. Despite fears of heavy winter damage, good snow cover reportedly kept losses down.

Prospects for *Italy's* crop indicate a substantial reduction from last year's bumper harvest, because of excessive rain during fall seeding. Unfavorable weather during late winter and early spring prevented making up the arrears by spring seeding.

The outlook is good for *Spain's* harvest. Acreage is larger than that for last year, and moisture supplies are ample over most of the country. Fall grain came through the winter in better condition than a year ago, despite earlier fears of winter damage.

Cold weather put a stop to wheat seeding in the *United Kingdom* before the normal winter wheat acreage was in. Spring seeding was also greatly delayed, and as a result, total wheat acreage is well below the 1962 acreage. Crops are late but the grain appears to be satisfactory.

Eastern Europe's outlook is brighter than at this time last year except in Hungary, where winter damage was substantial. In most areas, more plentiful moisture supplies add to the favorable outlook.

Prospects are less favorable than last year in the *Soviet Union.* Acreage seeded to winter wheat was increased by 12 million acres. However, severe winter weather caused heavy damage and the increased acreage was reported plowed up and reseeded to spring crops. A late spring season together with the third successive drought in the New Lands make the outlook poor for spring wheat.

An alltime record wheat harvest is reported for *India* and a near-record crop in *Pakistan.*

United Kingdom's Trade in Dry Milk

The United Kingdom imported a record 47 million pounds of dry whole milk in 1962. The most marked increases were in shipments from the Netherlands, 8 million pounds, compared with 5 million a year ago; Austria, 8 million (5 million); Belgium, 3 million (1 million); Australia, 2 million (1 million). Receipts from New Zealand were 8 million pounds in both years, those from Ireland were 6 million in both years.

Imports of nonfat dry milk continued to decline in 1962, amounting to 66 million pounds—11 million less than in 1961. A sharp reduction in purchases from New Zealand, 41 million pounds from 51 million and from Ireland, 7 million pounds (13 million), offset an increase in purchases from France, 14 million pounds (9 million).

The United Kingdom increased its exports of dry whole milk to 5 million pounds from 3 million for a year earlier. Spain was by far the largest market in 1962, taking almost 2 million pounds. Nigeria ranked second, with 784,000 pounds. Trade with Malaya, the most important single outlet in 1961—739,000 pounds—was reduced to 363,000 pounds.

Exports of nonfat dry milk, at 48 million pounds, were up 69 percent. Switzerland, the most important market, accounted for 21 million pounds; in the earlier year, shipments to Switzerland were only 818,000 pounds. Italy took 6 million pounds; there were no sales to that country in 1961. Exports to the Netherlands dropped from 9 million pounds to 3 million and those for Belgium and Spain, not purchasers of nonfat dry milk in 1961, were 2 million pounds and 1 million respectively.

U.S. Tobacco Exports Larger in April

U.S. exports of unmanufactured tobacco in April 1963, at 33.1 million pounds (export weight), were 7.7 percent larger than those for April 1962. Export value, at $26.1 million, was up 15 percent.

Flue-cured exports, at 25.3 million pounds, in April 1963 were a little under the 25.4 million shipped out in April 1962, but burley exports, which totaled 4.1 million pounds, were nearly three times those for April last year.

Kentucky-Tennessee fire-cured totaled 977,000 pounds, compared with nearly 2 million in April 1962. Maryland exports were 1.2 million pounds in April 1963, compared with only 197,000 pounds a year ago.

For the first 4 months of calendar 1963 total exports of unmanufactured tobacco were 106.6 million pounds—up 3.7 percent from the January-April period of 1962. Gains in burley, Virginia fire-cured, and cigar wrapper more than offset smaller exports of flue-cured, Kentucky-Tennessee fire-cured, and Maryland.

U.S. EXPORTS OF UNMANUFACTURED TOBACCO, APRIL 1963, WITH COMPARISONS

(Export weight)

Type	April 1962	April 1963	January-April 1962	January-April 1963	Percent change from 1962
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*Percent*
Flue-cured	25,432	[2] 25,265	81,014	78,448	— 3.2
Burley	1,405	4,059	8,638	13,052	+ 51.1
Dark-fired Ky-Tenn.	1,974	977	4,208	4,141	— 1.6
Va. fire-cured [1]	713	323	1,563	2,530	+ 61.9
Maryland	197	1,170	2,741	2,458	— 10.3
Green River	3	44	321	221	— 31.2
One Sucker	7	26	66	69	+ 4.5
Black Fat, etc.	291	274	1,170	1,347	+ 15.1
Cigar wrapper	395	426	1,090	1,520	+ 39.4
Cigar binder	7	94	195	426	+118.5
Cigar filler	—	61	—	68	—
Other	343	416	1,724	2,293	+ 33.0
Total	30,767	33,135	102,730	106,573	+ 3.7
	Mil. dol.	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Percent*
Declared value	22.7	26.1	76.5	83.5	+ 9.2

[1] Includes sun-cured. [2] Corrected figures as furnished by the Bureau of Census.

Bureau of the Census.

U.S. exports of tobacco products in April 1963 were valued at $10.5 million, compared with $10.1 million for April 1962. This increase was mainly due to larger exports of smoking tobacco in bulk. However, the total value of tobacco product exports for the first 4 months of calendar 1963, at $34.2 million, was down 12.3 percent from the similar period a year ago, with smaller shipments of cigarettes being the main reason for this drop. They totaled 6,816 million pieces, compared with 8,106 million in January-April 1962—a drop of about 16 percent.

U.S. EXPORTS OF TOBACCO PRODUCTS, APRIL 1963, WITH COMPARISONS

Product	April 1962	April 1963	January-April 1962	January-April 1963	Percent change from 1962
Cigars and cheroots					*Percent*
1,000 pieces	1,666	2,973	6,892	8,857	+28.5
Cigarettes					
Million pieces	2,166	2,044	8,106	6,816	—15.9
Chewing and snuff					
1,000 pounds	9	31	177	187	+ 5.6
Smoking tobacco in pkgs.					
1,000 pounds	38	49	209	225	+ 7.7
Smoking tobacco in bulk					
1,000 pounds	480	1,286	2,540	3,296	+29.8
Total declared value					
Million dollars	10.1	10.5	39.0	34.2	—12.3

Bureau of the Census.

South Africa's Tobacco Manufactures Down

Output of tobacco products in the Republic of South Africa during 1962 totaled 44.6 million pounds—down 1.5 percent from the 45.2 million produced in 1961.

Cigarette output, at 22.5 million pounds, was down 2.9 percent from the 23.2 million pounds produced in 1961. Production of cigarette tobacco for roll-your-own cigarettes dropped from 48,000 pounds in 1961 to 41,000 pounds in 1962. Production of cigars, at 60,000 pounds, was also down slightly from the 61,000 pounds for the previous year, while the output of pipe tobacco showed no change from the 1961 level of 21.9 million pounds.

Ontario's 1963 Flue-cured Acreage Announced

The 1963 flue-cured tobacco acreage in Ontario, Canada, was announced by the Ontario Farm Products Marketing Board on April 26, 1963. The Order, which became effective on May 2, states that acreage planted to flue-cured would equal 60 percent of the total basic marketable acreage plus an exemption of the first 6 acres on each farm. Earlier in the year, the Ontario Flue-Cured Tobacco Growers' Marketing Board had recommended that the 6-acre exemption should not be allowed this season. In essence, the Order increased the 1963 permissible flue-cured acreage in Ontario from 90,000 acres to 102,000. The 1962 permissible acreage plus the 6-acre exemption on each farm was 120,825 acres but only 116,571 were planted.

The 1962 flue-cured harvest in all Canada is now placed at 187.4 million pounds, compared with an earlier forecast of 181.6 million. In Ontario it totaled 181.0 million pounds, in Quebec 5.7 million, and in the Maritime Provinces .7 million.

The 1962 burley crop is now placed close to 9 million pounds, compared with an earlier forecast of 7.7 million. The yield per acre was reportedly an alltime record of slightly over 1,900 pounds per acre.

The 1963 basic marketable acreage for burley tobacco in Ontario was set at about 13,200 acres, or about 1,000 acres under that for last season, following a survey conducted by the Burley Tobacco Marketing Board in March. The permissible acreage for 1963 season is 6,595 acres, with a forecast of 4,000 acres to be planted, compared with the 4,569 acres planted in 1962.

French Cigarette Sales Continue Upward

Total sales of cigarettes in France last year (including imported brands) were 105.6 million pounds, compared with 101.5 million in 1961.

Sales of brands containing important percentages of U.S. leaf tobacco showed significant gains. Gitanes, which contain some U.S. dark-fired tobacco, recorded sales of 23.4 million pounds, compared with 21.7 million in 1961. Combined sales of Royales and Week-End, which include substantial portions of U.S. light tobaccos, rose from 2.3 million pounds in 1961 to 2.5 million in 1962. Gitanes, Royales, and Week-end are being extensively advertised under a market development project undertaken jointly by the French Monopoly, the U.S. tobacco trade, and the U.S.

Department of Agriculture.

French consumers smoked 3.7 million pounds of imported cigarettes in 1962, compared with 4 million in 1961. American-made cigarettes accounted for 66 percent of total sales of imported brands in 1962. Sales of cigarettes imported from Common Market countries totaled 364,000 pounds in 1962, compared with 304,000 in 1961.

Filter-tipped cigarettes represented 16.4 percent of total sales of domestic brands in 1962 and 13.7 in 1961.

U.S. Cotton Exports Lower in 1963

U.S. exports of all types of cotton totaled 2,615,000 running bales during the first three quarters (August-April) of the current season, compared with 3,663,000 shipped in the same months last year.

April exports totaled 299,000 bales, compared with 440,000 in March and 302,000 in April 1962.

As of June 7, registrations for exports under the 1962-63 payment-in-kind program reached 3,226,000 bales, compared with 4,693,000 bales on approximately the same date a year earlier.

COTTON: U.S. EXPORTS BY COUNTRY OF DESTINATION AUGUST-APRIL 1962-63 WITH COMPARISONS

(1,000 running bales)

Destination	Year beginning August 1			August-April	
	Average 1955-59	1960	1961	1961	1962
Austria	33	35	33	28	10
Belgium & Lux.	160	179	100	81	64
Denmark	17	23	13	10	11
Finland	22	29	21	20	11
France	360	549	300	260	152
Germany, West	475	421	205	184	88
Italy	416	454	376	330	169
Netherlands	124	179	106	85	67
Norway	10	14	13	12	8
Poland & Danzig	85	228	139	22	19
Portugal	28	25	18	16	6
Spain	171	171	155	155	(1)
Sweden	75	101	99	91	48
Switzerland	64	99	75	71	34
United Kingdom	525	371	270	234	123
Yugoslavia	108	88	175	76	113
Other Europe	17	8	8	1	4
Total Europe	2,690	2,974	2,106	1,676	927
Australia	54	49	64	50	29
Canada	217	259	397	307	209
Chile	35	51	12	11	20
Colombia	33	0	1	(1)	1
Cuba	27	2	0	0	0
Ethiopia	4	4	13	10	15
Hong Kong	134	219	104	96	61
India	184	599	215	26	124
Indonesia	30	36	46	33	27
Israel	16	9	10	8	5
Japan	1,154	1,746	1,028	844	739
Korea, Rep. of	205	195	300	178	165
Morocco	10	9	14	12	6
Pakistan	14	5	39	15	(1)
Philippines	64	149	142	102	85
South Africa	26	51	52	43	14
Taiwan (Formosa)	153	176	256	150	128
Thailand	4	23	30	23	20
Uruguay	15	18	11	11	0
Venezuela	2	(1)	16	16	4
Vietnam [2]	2	26	30	29	29
Other countries	27	32	28	23	7
Total	5,100	6,632	4,914	3,663	2,615

[1] Less than 500 bales. [2] Indochina prior to 1958. Includes Laos and Cambodia.

From Bureau of Census records.

India Permits Additional Cotton Imports

In late May, India announced a cotton import quota covering 175,000 bales of 400 pounds gross (about 143,000 bales of 500 pounds gross) from any area, to be imported during July-December 1963. The allocations (in 400-pound gross-weight bales) will be as follows: 55,000 bales for mills, under the export incentive scheme; 70,000 bales for defense requirements; 50,000 bales for mills using 1-3/16 inch or longer cotton.

This quota brings the total quantity of cotton approved during the 1962-63 season for import into India to 780,000 bales of 400 pounds gross, including 175,000 on a global basis; 55,000 under the cotton-sugar trade agreement; and 375,000 under Title I, P.L. 480, against which purchase authorizations for 187,500 have been issued.

Higher Prices for India's Sugar Growers

In order to encourage increased production of sugar, the Government of India raised the minimum prices of sugarcane payable by sugar mills to growers during the next sugar season 1963-64 (November-October). This new support is approximately the same as mainland cane growers receive in the United States.

Brazil Considers Protection of its Sisal

A commission was formed in Brazil in April to discuss means of protecting domestic sisal production. The press reported that the following recommendations were made: (1) Adopt a minimum export price system for sisal; (2) help sisal exporters and producers with financing; (3) increase efforts to find markets in Bloc countries.

Total Brazilian exports of sisal in the past 2 years averaged about 125,000 metric tons, most of which went to Western Europe, Uruguay, and the United States.

A recent trade agreement between Brazil and the Soviet Union lists sisal in the amounts of 2,000, 4,000, and 5,000 metric tons to be exported to the Soviet Union during the first 3 years—1963, 1964, and 1965—of the 5-year agreement period.

The average annual price of Brazilian sisal, landed New York, was 12.2 cents a pound in 1960, 11.2 cents in 1961, and 11.7 cents in 1962. In 1962, the price trend was reversed. The first-of-month prices rose from 10.3 cents in January to 14.3 cents in December. In 1963 prices for January through March were 15 cents, 16.2 cents, and 18.3 cents, respectively.

Belgian Flax Trade Variable in 1962

Belgian raw flax imports fell 9 percent in 1962—to 370.2 million pounds from 422 million in 1961. Imports of other unmanufactured flax (scutched, combed, tow, and waste) rose 32 percent from 59.4 million to 78.4 million. Most of these imports were unscutched flax from the Netherlands and France.

No raw flax was exported in 1962 and only a negligible quantity in 1961. Exports of other unmanufactured flax, however, totaled 221.6 million pounds—slightly more

than the 216.8 million in 1961. Exports were principally to the United Kingdom and other European countries but were also to the United States, Brazil, Australia, Japan, and many other countries.

Belgium, because of its excellent natural and technical facilities for processing flax fiber, imports large quantities of raw flax (both retted and unretted) for scutching and further processing. Much of this scutched and combed fiber, along with Belgium-grown flax, is then exported to other countries for manufacture into linen products for both home consumption and export.

BELGIUM AND LUXEMBOURG: FLAX, UNMANUFACTURED, TRADE BY COUNTRIES, 1962, AND 1961 TOTALS

Country	Flax, unmanufactured				
	Retted or unretted	Scutched	Combed	Tow	Waste
IMPORTS	*Mil. lbs.*	*Mil. lbs.*	*Mil. lbs.*	*Mil. lbs.*	*Mil. lbs.*
France	124.5	13.0	0	13.8	8.2
Netherlands	245.4	6.3	0	3.3	3.9
U.S.S.R.	0	.8	0	14.1	1.6
Other	.3	.4	.1	6.6	6.3
Total (1962)	370.2	20.5	.1	37.8	20.0
Total (1961)	422.0	18.3	.1	25.9	15.1
EXPORTS					
France	0	9.4	.3	9.6	25.3
Netherlands	0	5.7	.1	2.8	4.1
Germany, West	0	13.2	.1	4.1	0
Italy	0	14.8	(1)	3.5	4.3
United Kingdom	0	43.0	0	2.3	3.0
Other Europe	0	14.6	.6	0	0
United States	0	4.3	.1	3.8	6.2
Other	0	33.5	.2	2.6	10.1
Total (1962)	0	138.5	1.4	28.7	53.0
Total (1961)	.01	127.7	1.2	32.6	55.3

[1] Less than 50,000 pounds.
National Statistical Institute.

U.S. Meat Imports Small in April

April 1963 imports of all meats, at 92 million pounds, were down 34 million from March and, except for January 1963 when unloading slowed during the dock strike, were the smallest for any month since May 1962. However, April imports this year were 2 million pounds larger than thost in April 1962. Total meat imports, at 434 million pounds in January-April 1963, were 13 percent greater than those for the same period in 1962.

There has been a definite leveling off of imports of beef in 1963, especially during March and April. The January-April 1963 total amounted to 321 million pounds and exceeded that for the same period last year by 14 percent compared with the 65 percent increase for the like period of 1962 over 1961. In recent years, imports of beef during April and May have been small, reflecting the end of season clean-up of stocks from Australia and New Zealand.

Pork imports increased by 9 percent during January-April 1963, mainly owing to larger receipts of canned hams from Denmark and the Netherlands. Imports of lamb were up sharply from a year earlier because of higher prices and smaller supplies of U.S. lamb, and mutton imports in January-April, at 32 million pounds, were 8 percent above those for a year earlier.

Imports of cattle from Canada and Mexico continued large in the first 4 months of 1963. Total imports of 415,000 head were 3 percent greater than those for the same period of 1962.

Larger imports of wool this year reflect the increased U.S. mill activity. Imports of nearly all classes of hides and skins were below January-April levels for a year earlier, reflecting the lower prices in the United States.

LIVESTOCK PRODUCTS: U.S. IMPORTS OF SELECTED ITEMS, APRIL 1963 WITH COMPARISONS

Commodity	April		January-April	
	1962	1963	1962	1963
Red meats:	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*
Beef and veal:				
Fresh, frozen, bone in	930	1,369	5,847	6,679
Fresh, frozen, boneless	53,110	51,628	239,388	265,122
Canned, including corned	5,367	8,494	21,370	33,892
Pickled and cured	76	36	213	144
Veal, fresh and frozen	1,843	1,093	6,490	5,614
Other meats [1]	2,620	3,239	8,773	9,063
Total beef, veal	63,946	65,859	282,081	320,514
Pork:				
Hams and shoulders, canned	10,159	12,293	42,521	47,926
Other pork [2]	6,084	6,391	24,882	25,386
Total pork	16,243	18,684	67,403	73,312
Mutton and goat	4,940	5,596	29,864	32,237
Lamb	1,292	1,590	4,720	8,372
Total red meat	86,421	91,729	384,068	434,435
Variety meats	185	172	800	875
Wool (clean basis):				
Dutiable	10,678	11,001	47,968	52,331
Duty free	9,880	12,873	42,714	56,487
Total wool	20,558	23,874	90,682	108,818
	1,000 pieces	*1,000 pieces*	*1,000 pieces*	*1,000 pieces*
Hides and skins:				
Cattle	46	31	239	135
Calf	77	30	187	164
Buffalo	100	28	317	183
Kip	51	106	228	332
Sheep and lamb	1,687	2,992	12,992	10,824
Goat and kid	1,512	1,429	5,686	4,899
Horse	47	52	171	126
Pig	216	62	628	366
	Number	*Number*	*Number*	*Number*
Live cattle [3]	117,393	103,959	402,076	415,455

[1] Other meat, canned, prepared or preserved. [2] Fresh or frozen; hams, shoulders, bacon not cooked; sausage except fresh; prepared and preserved. [3] Includes cattle for breeding.
U.S. Department of Commerce.

Canadian Pork Imports Large in 1963

Canada imported over 8 million pounds of pork (trimmed weight) during April, most of which came from the United States. Imports during the first 4 months of 1963 are estimated at 33.4 million pounds compared with only 6.1 million for the same period in 1962.

The large imports of U.S. pork during April were made because Canadian demands outstripped domestic supplies. Production and consumption both declined in April from the previous month, but production declined more than consumption. This gap was filled by imports of U.S. pork, and by reduced pork exports.

The spread between U.S. and Canadian hog prices helps to explain the large inflow of U.S. pork to Canada. Without imports, pork and hog prices would probably have

been higher in Canada in early 1963.

Weekly hog marketings in Canada have been trending downward in recent weeks, while prices have been rising. The reduction in marketings, however, does not necessarily mean more opportunity for larger exports of U.S. pork to Canada. Hog slaughter in the United States is also falling, and the spread between Canadian and U.S. hog prices is beginning to narrow.

Australian Meat Moves to the U.S.

Eight ships left Australia during May with 20,124,160 pounds of beef, 2,067,520 pounds of mutton, 58,240 pounds of lamb, and 29,120 pounds of variety meat for the United States.

Ship and sailing date	Destination [1]	Arrival date	Cargo	Quantity
	Eastern and Gulf ports:			*Pounds*
City of Sydney May 11	Charleston	June 5	Beef	40,320
			Mutton	33,600
	Boston	8	Beef	203,840
			Mutton	33,600
	New York	13	Beef	1,283,520
			Mutton	33,600
			Var. meats	8,960
Pioneer Surf May 13	Charleston	16	Beef	71,680
	New York	22	Beef	183,680
	Baltimore	26	Beef	33,600
Lake Eyre May 18	New Orleans	10	Beef	1,749,440
			Mutton	89,600
	Tampa	13	Beef	701,120
	New York	16	Beef	5,801,600
			Mutton	848,960
	Philadelphia	20	Beef	952,000
			Mutton	100,800
	Boston	21	Beef	1,052,800
Cap Vilano May 24	Newport	([2])	Beef	33,600
	Charleston	June 20	Beef	436,800
			Mutton	67,200
			Var. meats	20,160
	Norfolk	23	Beef	414,400
			Lamb	2,240
	Philadelphia	26	Beef	1,023,680
			Mutton	33,600
	New York	28	Beef	2,876,160
			Mutton	448,000
	Boston	July 7	Beef	199,360
Pioneer Star May 24	Charleston	June 25	Beef	156,800
	Boston	29	Beef	64,960
	New York	July 1	Beef	492,800
	Philadelphia	3	Beef	13,440
	Baltimore	5	Beef	212,800
			Mutton	33,600
	Western ports:			
Orsova May 22	San Francisco	June 22	Beef	64,960
	Los Angeles	24	Beef	85,120
Ventura May 25	Los Angeles	9	Beef	432,320
			Mutton	87,360
	San Francisco	13	Beef	318,080
			Mutton	33,600
	Portland	22	Beef	465,920
	Seattle	28	Beef	212,800
Monterey May 27	San Francisco	13	Beef	257,600
			Mutton	89,600
	Los Angeles	21	Beef	143,360
			Mutton	33,600

[1] Cities listed indicate location of purchaser and usually the port of arrival and general market area, but may be diverted to other areas for sale.
[2] To be transshipped.

U.S. Exports of Livestock Products Rising

U.S. exports of livestock products for January-April 1963 are up sharply over the same period in 1962. Red meat exports are up 89 percent, variety meats 48 percent, and hides and skins 59 percent. Exports of lard, inedible tallow and greases, and casings are up considerably; but exports of edible tallow, beef and veal, and sausage are down slightly to moderately. Sharp reductions occurred in U.S. exports of lamb and mutton, canned meats, and calf and kip skins.

U.S. EXPORTS OF LIVESTOCK PRODUCTS

(Product weight basis)

Commodity	April		Jan.-April	
	1962	1963	1962	1963
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*
Animal fats:				
Lard	42,365	60,249	154,279	157,351
Inedible tallow and greases [1]	124,350	163,692	523,336	542,583
Edible tallow and greases [2]	1,267	1,791	4,170	3,742
Meat:				
Beef and veal	1,992	1,908	8,215	7,903
Pork	4,554	10,470	17,174	43,268
Lamb and mutton	141	93	1,119	394
Sausage:				
Except canned	209	130	469	464
Canned	67	68	256	235
Baby food, canned	95	14	333	196
Other canned meat	84	118	427	426
Total red meat	7,142	12,801	27,993	52,886
Variety meat	6,910	12,390	35,178	51,967
Sausage casings				
Hog	1,229	1,426	4,506	4,895
Other natural	370	490	1,214	1,425
Mohair	1,102	1,593	4,568	5,687
	1,000 pieces	*1,000 pieces*	*1,000 pieces*	*1,000 pieces*
Hides and skins:				
Cattle	452	529	2,113	2,270
Calf	201	160	643	501
Kip	11	16	101	64
Sheep and lamb	150	308	580	908

[1] Includes inedible tallow, oleic acid or red oil, stearic acid, and other inedible greases, fats, and oils.
[2] Includes edible tallow, oleo oil and stearin, oleo stock and shortenings, animal fat, excluding lard.

New Zealand Meat Shipments to the U.S.

Eight ships are scheduled to leave New Zealand during June and early July with 28,784,000 pounds of meat for the United States—21,280,000 pounds for the East Coast and 7,504,000 pounds for the West Coast.

Ship	Sailing date	Destination	Quantity
			1,000 pounds
Port Chalmer	June 25	East Coast	8,960
Wharanui	June 26	East Coast	1,344
Durham	July 6	East Coast	10,976
Crusader	June 10	West Coast	3,808
Mariposa	June 14	West Coast	336
Himalaya	June 15	West Coast	112
Cap Palmas	June 27	West Coast	3,136
Oriana	June 29	West Coast	112

Record South African Canned Fruit Pack

The 1963 South African canned deciduous fruit pack is estimated at a record 5.1 million cases (24–2½ basis). The previous high was the 4.5 million-case 1961 pack. Average 1956-60 production totaled 3.4 million cases.

The record large 1963 canned peach pack, estimated at 3.2 million cases, is .5 million cases larger than 1962.

This season's pack is comprised of 3 million cases of clingstone peaches and .2 million cases of freestone peaches. The .9 million-case 1963 canned pear pack is also a record. This season's canned apricot pack is above average but does not equal the large 1961 pack. The 1963 mixed fruit pack is believed to be quite small this year, being below both last season and average.

SOUTH AFRICAN PRODUCTION OF CANNED FRUITS AVERAGE 1956-60, 1960-63

Canned Fruits	Average 1956-60	1960	1961	1962	Estimated 1963
	1,000 cases	*1,000 cases*	*1,000 cases*	*1,000 cases*	*1,000 cases*
Apricots	732	780	864	629	800
Mixed Fruit	357	438	152	319	200
Peaches	1,846	2,369	2,671	2,699	3,200
Pears	483	562	769	645	900
Total	3,418	4,149	4,456	4,292	5,100

South African exports of canned deciduous fruits in 1962, according to preliminary data, totaled 3.1 million cases. This is above average but considerably below the previous 2 years. Exports during 1963 may exceed the 3.9 million cases shipped in 1961.

SOUTH AFRICAN EXPORTS OF CANNED FRUITS AVERAGE 1956-60, 1960-62

Canned Fruits	Average 1956-60	1960	1961	Preliminary 1962
	1,000 cases	*1,000 cases*	*1,000 cases*	*1,000 cases*
Apricots	698	878	807	514
Peaches	1,667	2,264	2,393	2,014
Pears	388	422	708	535
Total	2,753	3,564	3,908	3,063

Average South African Canning Fruit Prices

Average prices paid to South African growers for canning fruit in 1963 were below those of the previous season, except for apricots which were up $15 per short ton. Peach prices, both clingstones and freestones, were down by $17 and $6 per ton, respectively. Prices paid for canning pears were smaller by $3 per ton for Bon Chretien and $7 for other varieties.

AVERAGE GROWER PRICES FOR CANNING FRUIT

Fruit	Price per short ton			
	1960	1961	1962	1963 [1]
	U.S. dol.	*U.S. dol.*	*U.S. dol.*	*U.S. dol.*
Apricots	54	65	78	93
Peaches, freestone	32	40	48	42
Peaches, clingstone	65	81	90	73
Pears, Bon Chretien [2]	83	74	76	73
Pears, others [2]	43	60	57	50

[1] Estimated.

[2] An additional $17 per ton is payable for cold storage, lugbox hire and transportation.

Upper Volta's Fats and Oils Situation

The principal oil-bearing crops of Upper Volta, one of the eight newly independent nations formerly comprising French West Africa, are peanuts, shea nuts, cottonseed, and sesame. Peanuts are the most important of these.

While production data for most oil-bearing crops are incomplete, indications are that the 1962-63 peanut crop will approximate 65,000 metric tons, almost one-fifth greater than the previous year's crop.

The Office de Commercialization under the Ministry of Commerce acts as a marketing agent for some oilseed crops destined for foreign and domestic trade channels. In 1962, the office handled 200 tons of sesameseed, 700 tons of shelled peanuts, and 1,000 tons of unshelled peanuts. Probably, increasing quantities of these commodities will be handled by this agency in the future.

Shea nut exports are mainly to Italy and Belgium, while all exported peanuts go to France under a subsidization program. This program, it is reported, will terminate with the 1963-64 peanut crop. Small quantities of peanut cake, peanut oil, cottonseed, and copra have been exported in some years.

An oil extraction factory at Bobo Dioulosso produces peanut oil and shea butter from indigenous materials for domestic consumption. The factory also manufactures soap. Most oilcake produced is utilized domestically.

UPPER VOLTA: EXPORTS OF OIL-BEARING MATERIALS AND SHEA BUTTER, ANNUAL 1957-1962

Commodity	1957	1958	1959	1960	1961
	Metric tons	*Metric tons*	*Metric tons*	*Metric tons*	*Metric tons*
Peanuts (shelled)	1,107	3,287	2,074	479	564
Peanuts (unshelled)	——	——	99	10	——
Sesame	500	869	1,410	175	N.A.
Shea nuts	920	926	380	5,108	2,744
Shea butter	182	51	178	378	75

Compiled from official source.

Canadian Soybean Support Price Announced

The Canadian Minister of Agriculture announced on May 31 that the price support for 1963-crop soybeans will be C$2.15 (U.S. $2.00) per bushel on Canada grade No. 2 or better with 14 percent moisture and delivered at elevator in Ontario. The support level is 100 percent of the base price, which is the average price for the last 10 years. On the same basis, the support for 1962-crop beans was C$2.14 (U.S. $1.98) per bushel.

The Ontario Soybean Growers' Marketing Board had recommended to the Agricultural Stabilization Board that a support price of C$2.50 (U.S. $2.32) be established for the 1963 crop. This recommendation was not adopted.

In his announcement the Minister stated, "In making this recommendation, the board expressed the wish for an incentive level of price support, indicating that such would assist in diverting production from fall wheat and oats, that more protein supplement was needed for an expanding livestock industry, and that a reduction in soybean imports would be advantageous. Moreover, the board indicated that it would embark on a greater promotional campaign for expanded production if such an incentive price support level was established.

"However, the Stabilization Board considered that increased market prices (about 25 cents per bushel higher than a year earlier) should provide sufficient incentive for an orderly expansion of soybean production, and that a

U.S. DEPARTMENT OF AGRICULTURE
WASHINGTON 25, D. C.

OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U.S. DEPARTMENT OF AGRICULTURE

To change your address or stop mailing, tear off this sheet and send to Foreign Agricultural Service, U.S. Dept. of Agriculture, Room 5918, Washington 25, D.C.

guaranteed price of $2.50 per bushel could bring undue optimism to the industry. Since the varieties of soybeans at present available have some limitations in terms of adaptability, it is felt that an incentive that would unduly expand the growing areas might ultimately be to the detriment of the individuals involved in such an expansion."

U.S. Exports of Soybeans, Edible Oils, Meals

April exports of soybeans and edible oils from the United States declined somewhat from the previous month. Exports of cakes and meals declined sharply from the record volume exported in March.

U.S. exports of *soybeans* in April at 14.1 million bushels declined by 2 percent from the previous month. Cumulative exports totaling 119.6 million bushels in the October-April period of the current marketing year were up 14 percent from the comparable period in 1961-62. Major markets for U.S. soybeans in April, with their percentages of the total were: Japan 29; West Germany 16; Canada 10; the Netherlands 8; Denmark 7; and Norway 6.

April exports of *edible oils* (soybean and cottonseed) at 215.8 million pounds declined by 5 percent from the quantity in March. Cumulative exports through April at 924 million were 6 percent above the same period last year. Foreign donations for the cumulative period accounted for 7 percent of the total compared with over one-fifth of the total in 1961-62.

Soybean oil exports in April increased to 183.7 million pounds, up 15 percent from the 159.6 million pounds reported to have been shipped in March, despite some decline in foreign donations. Major destinations of U.S. soybean oil exclusive of foreign donations in April together with their respective percentages of total were: Spain 51; Turkey 15; Yugoslavia 14; Morocco 7; and Algeria 3. Cumulative shipments during the October-April were one-fifth above the comparable period a year ago.

U.S. exports of *cottonseed oil* in April at 32.1 million pounds showed a marked drop from the 66.4 million pounds exported in March. Exports during October-April were a fifth below the same period in 1961-62.

Cake and meal exports from the United States in April at 153,900 short tons dropped by nearly one-third from the monthly record of 222,000 tons established in March. Cumulative shipments through April of the current marketing year were about two-fifths above those of the comparable period last year.

Soybean meal accounted for 95 percent of the total U.S. exports of cakes and meals in April. Destinations of these exports with percentages of the total were: Spain 40; Yugoslavia 23; Canada 12; Holland 6; and France 6.

(Note: There are two suspected errors in the Bureau of Census data for April, not taken account of in the above statement, which presumably will be corrected in the tabulations for May. They are: (1) An *understatement* of soybean oil exports of about 34 million pounds, and (2) an *overstatement* of about 20,000 tons of cake and meal.)

U.S. EXPORTS OF SOYBEANS, EDIBLE OILS, AND OILSEED CAKES AND MEALS, APRIL 1963

Item	Unit	April 1962 [1]	April 1963 [1]	October-April 1961-62 [1]	October-April 1962-63 [1]
Soybeans	Mil. bu.	11.7	14.1	104.7	119.6
Oil equiv.	Mil. lb.	128.5	155.1	1,149.4	1,312.8
Meal equiv.	1,000 tons	275.0	331.9	2,460.0	2,809.8
Edible oils:					
Soybean:					
Commercial [3]	Mil. lb.	152.1	179.4	445.4	[5] 643.4
Foreign donations [4]	do.	11.2	4.3	131.0	44.4
Cottonseed:					
Commercial [3]	do.	23.7	29.8	237.8	213.6
Foreign donations [4]	do.	3.8	2.3	60.1	22.6
Total oils	do.	190.8	215.8	874.3	[5] 924.0
Cakes, meals:					
Soybean	1,000 tons	94.5	146.0	660.2	920.0
Cottonseed	do.	.2	7.4	2.8	68.9
Linseed	do.	—	.5	11.7	34.3
Total cakes and meals [5]	do.	94.7	153.9	674.9	1,031.4

[1] Preliminary. [2] Compiled from records of the Bureau of Census; includes Titles I, II, and IV, P.L. 480. [3] Includes 32,855,509 pounds exported to Spain in January but returned without being discharged. This figure is expected to be included in the March FT 110—Part 2, under "U.S. articles returned." [4] Title III, P.L. 480. [5] Includes peanut cake and meal and small quantities of other cakes and meals.

Compiled from records of the Bureau of Census and USDA.